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## Ask the Expert - Michael G. Woods, Gottlieb & Pearson

### QUESTION – Controlled Goods Program

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**Question 1:** What are the requirements for a U.S. company to participate in the Controlled Goods Program?

**Answer:** Canada's Controlled Goods Program (CGP) is a security program that is implemented by Public Works and Government Services Canada (PWGSC). Registration under the program with the Controlled Goods Directorate (CGD) is mandatory for anyone that deals with controlled goods and/or controlled technology. Controlled goods are defined as goods and technology that are indexed on Canada's Export Controls List (ECL) and for which a permit is required for any export.

The requirement to register is limited to individuals who are ordinarily residents in Canada either as a Canadian citizen or as a permanent resident. Businesses are eligible to register provided they are incorporated or authorized by federal, provincial or territorial law to carry on business in Canada.

Visitors to Canada, temporary workers, and employees of a business in the United States that is registered with the International Traffic and Arms Regulations (ITAR) are exempt from registration.

The requirement to register does not extend extraterritorially to U.S.-based or other foreign individuals or businesses.

**Question 2: How does the CGP define Foreign Nationals, by their residency or by their birthplace?**

**Answer:** First, visitors to Canada, temporary workers and employees of a business in the United States that is registered with ITAR are exempt from registration. Canadian residents are required to register, but no distinction is made between permanent residents and Canadian citizens.

However, an individual who is not an officer, director, or employee of a registered business and who is not an ordinary resident in Canada who examines, possesses or transfers a controlled good in Canada must consent to a security assessment by the CGD

A security assessment is an evaluation of the individual provided to the CGD by the Canadian applicant, its designated official or other source of information. The CGD assesses whether the applicant poses a risk of transferring the controlled goods and/or controlled technology to an unauthorized person.

For the basic details on the security assessment process and other aspects of the CGP, you may wish to consult the following Government of Canada website:

[http://www.cgp.gc.ca/cgdweb/text/about/about\\_e.htm](http://www.cgp.gc.ca/cgdweb/text/about/about_e.htm)